

Commercial Property for Sale or Lease

Greater Cheyenne Area

June 28, 2019

Introduction

The summary table on page 6 outlines, on a quarterly basis, the number of commercial properties currently vacant and/or for sale in the greater Cheyenne area. Statistics for 2015 are now final and will no longer be revised going forward. Vacancy rates for 2016, 2017, 2018, and 2019 are based upon 2016 preliminary baseline numbers.

Please click on the website links labeled Retail Opportunities, Warehousing Opportunities, Office Space Opportunities and Medical Opportunities to see lists of individual properties by these uses.

The Wyoming Center for Business & Economic Development (WCBEA) launched the development of a commercial property database for Laramie County in mid-2008. We would caution users with the following:

- The number of vacant or available properties and the amount of square footage is conservative for all classes of properties;
- Statistics by and large reflect availability in the commercial market and fairly represent the market in regards to pricing but again, do not represent an exact count of properties available;
- The addition or deletion of a large property can skew the reported data; and
- Residential data are not included.

Overview

By the end of the second quarter of 2019, there were 110 active properties on the local commercial real estate market, a 12 percent drop from the first quarter of 2019, and a 16.6 percent decrease from one year ago. The number of available properties fell in two of the three major categories: Retail spaces and Warehouses. The number of warehouses fell from 23 to 19 over the quarter(-17.4 percent). The number of retail spaces shrank by 11 units(-17.4 percent). The number of office spaces stayed constant at 34 units.

From the first quarter of 2019 to the second quarter of 2019, the number of available warehousing units for sale and/or lease decreased 17.4 percent (-4 units), the total available square footage decreased 13.2 percent and the overall vacancy rate improved, decreasing from 8.0 percent to 5.3 percent. The average lease rate decreased from \$7.33/sf to \$6.24/sf at the end of the second quarter. Total vacant square footage ended the quarter at 301,449 sf as compared to 354,233 sf at the end of the first quarter of 2019.

The number of available retail properties for sale and/or lease decreased 17.4 percent (-11 units) over the quarter while the overall retail vacancy rate decreased from 13.8 percent to 11.0 percent in the first quarter of 2019. Vacancy in the Frontier Mall increased slightly to 18.1 percent during the second quarter of 2019. The anchor space at the Frontier Mall previously occupied by Sears remained vacant and represents 15.5 percent of the total mall square footage. Vacancy at the Cheyenne Shopping Plaza increased slightly over the quarter to 33.8 percent. The Holiday Home Plaza had no new vacancies open up. Other shopping centers saw no new changes in vacancies. The total amount of vacant retail space ended the quarter at 449,393 sf, a sharp decrease as compared to 561,916 sf at the end of the first quarter of 2019. Several additional large properties remained vacant, including the former K-Mart (44,625 sf), Sears (83,055 sf), and Pioneer Printing (24,956 sf). The former Safeway at the Cole Shopping Center is being converted into the new BLUE Credit Union headquarters.

The number of available office properties didn't change, but the total square footage decreased over the quarter. The vacancy rate for office properties fell to 6.4 percent and is down from one year ago when it stood at 12.9 percent at the end of the second quarter of 2018. Total vacant office space by the quarter's end had decreased to 138,745 sf from 165,311 sf in the first quarter of 2019.

The number of medical spaces available for sale or lease during the second quarter of 2019 did not change. Vacancy rates held constant over the year at 4.1%.

The summary table on page 6 presents statistics for the past 11 quarters for commercial office, retail and warehousing space. Medical properties are also presented as a separate link as mentioned above.

Office Space

The average lease rate for office space increased slightly over the quarter to \$14.23/sf as of June 28, 2019. At the end of the first quarter of 2019, the average lease rate was \$14.16/sf and one year ago the average lease rate was \$15.13/sf.

Table 1 below presents the number of available office space properties by size. Almost one-half of available office spaces have less than 2,500 sf. Over 25 percent of available office spaces have more than 5,000 sf.

Table 1. Available Office Properties by Square Footage

Size (sf)	Units	% of Total
≥ 20,001	2	5.9%
10,001 - 20,000	3	8.8%
5,001 -10,000	3	8.8%
2,501 - 5,000	10	29.4%
≤ 2,500	16	47.1%

Warehousing

At the end of the second quarter of 2019, there were 19 warehouse properties available with a combined 392,098 sf. The APW Wyatt building (157,500) continued to be the largest warehouse property available. The next largest unit available is 38,868 sf by comparison. There are 11 warehouse properties with more than 10,000 sf.

Table 2 shows the distribution of warehouses by size. Over half of the available warehouse properties have more than 10,000 sf. More than one-third of available warehouse properties have between 5,000 sf and 10,000 sf. Only 1 property has fewer than 5,000 sf.

Table 2. Available Warehouse Properties by Square Footage

Size (sf)	Units	% of Total
≥ 20,001	3	15.8%
10,001 - 20,000	8	42.1%
5,001-10,000	7	36.8%
2,501 - 5000	0	0.0%
≤ 2,500	1	5.3%

Retail

Twenty retail properties left the market during the second quarter of 2019 and nine new properties became available, resulting in a net decrease of over 50,000 sf in total retail space available for lease and/or sale. The overall vacancy rate for retail properties decreased from 13.8 percent to 11.0 percent and the average retail lease rate increased from \$13.21/sf to \$13.26/sf over the quarter.

Of the 52 retail properties on the market during the second quarter of 2019, 45 were vacant. The five largest vacant properties contain approximately 200,000 sf, representing over 40 percent of the total vacant square footage. These properties include the former K-Mart, the former Flea Market, the former Hobby Lobby, the former Pioneer Printing, and the former Sears space at the Frontier Mall. The former Safeway was converted into BLUE Credit Union’s new headquarters.

Within Cheyenne’s shopping malls, Frontier Mall had 10 vacant units with a total of 97,051 sf available (18.1% vacancy rate). The vacancy is rate is up less than 1% from the first quarter of 2019, but down from 20.5% a year ago. The vacated Sears still contributes over 85% of the vacant space. The Cheyenne Plaza Shopping Center had seven units available with a total of 52,437 sf (33.8% vacancy rate). The Holiday Home Plaza had no new spaces open up, maintaining its vacancy rate(9.2%) and available square footage(5,407 sf). Other malls had minimal or no vacancies.

Table 3 below presents the number of retail properties available by square footage. As the data suggest, potential retailers have a wide selection of retail sites available to them under current market conditions. Over a third of available retail spaces have more than 5,000 sf (39.2%). Over a quarter of spaces have less than 2,500 sf (25.5%)

Table 3. Available Retail Properties by Square Footage

Size (sf)	Units	% of Total
≥ 20,001	7	13.7%
10,001 - 20,000	5	9.8%
5,001-10,000	8	15.7%
2,501 - 5,000	18	35.3%
≤ 2,500	13	25.5%

Summary

Table 4 presents historical data and additional details by property type including the range of lease rates by property type.

Table 4. Summary Table, Greater Cheyenne Area Property Available for Sale or Lease

Summary Table						
Commercial Property For Sale and Lease						
Updated: 6/28/2019			(FR - Final Revision)			
Property Type	# Properties	Square Footage	Avg Lease Rate	Min/Max Rate	Vacancy Rate	
Third Quarter 2016						
Warehouse	21	414,326	\$7.66	1.00 - 13.00	7.4%	
Retail	50	369,653	\$14.36	8.00 - 24.00	7.5%	
Office Space	45	290,894	\$14.28	6.19 - 22.00	13.3%	
Fourth Quarter 2016						
Warehouse	22	443,050	\$8.06	4.50 - 13.00	7.7%	
Retail	54	401,434	\$13.25	8.00 - 24.00	8.0%	
Office Space	43	269,819	\$13.62	8.00 - 22.00	12.4%	
First Quarter 2017						
Warehouse	24	461,908	\$7.98	4.50 - 13.00	8.1%	
Retail	44	372,206	\$13.34	8.00 - 24.00	8.2%	
Office Space	49	278,295	\$14.05	8.00 - 22.00	12.8%	
Second Quarter 2017						
Warehouse	28	492,320	\$8.24	4.50 - 14.50	8.6%	
Retail	42	455,448	\$13.00	8.00 - 20.00	10.4%	
Office Space	50	274,990	\$14.03	8.00 - 22.00	12.4%	
Third Quarter 2017						
Warehouse	27	442,067	\$7.84	4.50 - 14.50	7.7%	
Retail	50	474,625	\$13.47	8.00 - 20.00	10.8%	
Office Space	48	266,931	\$14.00	10.00 - 22.00	12.1%	
Fourth Quarter 2017						
Warehouse	26	456,368	\$7.85	4.50 - 14.50	8.0%	
Retail	49	434,979	\$11.63	5.50 - 17.00	9.9%	
Office Space	47	315,920	\$14.50	7.50 - 22.00	11.7%	
First Quarter 2018						
Warehouse	28	464,432	\$7.78	4.50 - 14.50	8.2%	
Retail	57	571,496	\$10.90	5.50 - 17.00	13.3%	
Office Space	45	352,421	\$14.90	7.80 - 23.60	13.6%	
Second Quarter 2018						
Warehouse	27	461,361	\$7.68	4.50 - 14.50	8.2%	
Retail	60	573,636	\$13.77	6.00 - 23.50	12.9%	
Office Space	40	315,683	\$15.13	7.80 - 23.60	12.9%	
Third Quarter 2018						
Warehouse	34	532,596	\$7.67	4.50 - 12.75	8.0%	
Retail	68	590,744	\$12.75	6.00 - 23.50	13.7%	
Office Space	40	300,933	\$14.65	7.80 - 21.50	11.7%	
Fourth Quarter 2018						
Warehouse	26	479,393	\$8.46	4.50 - 12.75	6.7%	
Retail	76	675,179	\$12.96	6.00 - 23.50	14.8%	
Office Space	40	298,603	\$15.54	10.00 - 27.43	9.7%	
First Quarter 2019						
Warehouse	23	451,421	\$7.33	4.50 - 12.75	8.0%	
Retail	63	561,916	\$13.21	6.00 - 23.50	13.8%	
Office Space	34	210,885	\$14.16	10.00 - 18.50	9.7%	
Second Quarter 2019						
Warehouse	19	392,028	\$6.24	4.50 - 8.00	5.3%	
Retail	52	511,569	\$13.26	6.00 - 23.50	11.0%	
Office Space	34	184,319	\$14.23	10.00 - 18.50	6.4%	

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